



# Budget Speech

OF

**THE HON. ERNEST C. MANNING**

TREASURER OF THE PROVINCE OF ALBERTA

**Delivered on March 4th**

**1949**

IN THE

**Legislative Assembly of Alberta**

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF  
FINANCIAL AND GENERAL INFORMATION

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1949



**BUDGET SPEECH**  
**DELIVERED BY**  
**THE HON. ERNEST C. MANNING**

*Treasurer of the Province of Alberta*

March 4, 1949.

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Mr. Speaker:

Once again it is my privilege to move that you do now leave the Chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

While this is the fifth occasion on which it has been my responsibility to move this time-honored motion, the Budget I am presenting today is unique in several respects. It is unique in the degree to which it reflects, both in receipts and expenditures, the unprecedented expansion and development taking place in our provincial economy. It is unique in that it provides for improved and extended public services, for substantial financial aid to our Municipalities and for large-scale capital expenditures without the imposition of any new forms of taxation or recourse to public borrowing.

Within the financial restrictions imposed on the Province by the B.N.A. Act and by the out-dated tenets of our national monetary system, it provides for the allocation of available revenues in a manner which the Government believes will best serve the interests of our people as a whole. At the same time it indicates significant current trends which emphasize the urgent need for certain fundamental reforms if a serious social and economic crisis is to be averted in the not far distant future.

To provide a background in the light of which we can better appraise the Budget proposals for the coming year, may I review briefly the prevailing conditions with respect to our over-all provincial economy.

**AGRICULTURE**

Preliminary estimates of the gross value of all agricultural products for the year 1948 indicate a total valuation of \$545,000,000, an increase of \$70,000,000 compared with the revised valuation for the previous year. The final revised figures for 1948 undoubtedly will show a substantial increase over the preliminary estimates.

The gross value of field crops increased from \$310,000,000 to \$320,000,000. The value of live stock marketed was \$140,000,000, an increase of \$49,000,000 over the previous year. Higher prices and the opening of the United States market to Canadian producers mainly were responsible for the increased number of live stock marketed and the increased valuation. Cattle numbering 532,000 and

valued at \$75,700,000 were sold during the year, an increase of 108,000 head over the number marketed last year. The number of swine marketed totalled 1,165,453 head, which realized approximately \$54,275,000.

Dairy products valued at \$56,117,000 showed an increase in value in excess of the previous year again mainly due to higher prices rather than increased production.

Poultry products estimated at \$24,675,000 were some \$3,500,000 in excess of the value last year. Production of honey during the year established a new record totalling over 9 million pounds, which was an increase of approximately 3,500,000 pounds as compared with the previous year. The estimated gross value of \$545,000,000 for all agricultural products is the highest valuation recorded in the history of Alberta. The stability and general well-being of our basic industry is and will continue to be of the utmost importance to the economic life of our Province.

Prices for farm products in the United States have receded from the high levels of the past year and a lower average price during the current year is indicated. While there may be a decline in the export demand for some agricultural products, accompanied by some price adjustments, indications are that our farmers may anticipate reasonably satisfactory returns for the ensuing year.

### NATURAL RESOURCES

The total value of production from our natural resources in 1948 is estimated at \$99,000,000 as compared with \$82,700,000 for the previous year, an increase of \$16,300,000.

Lumber, ties and pulpwood was valued at \$18,094,000, an increase of approximately \$1,200,000 over the value of the previous year's output.

Over 8,100,000 tons of coal were produced, valued at \$41,875,000. The tonnage was practically the same as the preceding year. However, the value showed an increase of over \$5,000,000 due to higher prices for the product.

The production of petroleum amounted to 10,970,600 barrels, valued at \$35,127,000, an increase of over 4,000,000 barrels, and in value of \$17,000,000. Production of over 4,600,000 barrels originated from the Leduc and Redwater fields; and the Lloydminster field doubled its output to 644,000 barrels.

In no single phase of Alberta's economy has development been more encouraging and more important from both a provincial and a national viewpoint than that of our oil resources. The bright outlook for oil development referred to in the Budget Address of last year has materialized to the extent that Alberta now has become one of the major oil-producing areas on this continent. The large scale exploratory activities now under way are surpassed in not more than two other areas on the North American continent. It is confidently anticipated that this unprecedented activity will result in the location of more new oil-producing areas during the coming year. While the discovery of the Leduc-Woodbend field was the major event in 1947, the discovery of the Redwater field was of outstanding importance

in 1948. The rapidly increasing production from these major fields, together with important discoveries in other widely scattered areas, assures a sufficient supply to meet the total oil requirements of all the Prairie Provinces by the end of the present year.

As a result of this development there has been a marked reduction in both wholesale and retail prices of petroleum products in the prairie zone. When it is realized that almost 200,000,000 gallons of oil products are purchased annually in Alberta alone, it will be seen that each one cent per gallon reduction in the retail price of fuel oil products represents a saving of approximately \$2,000,000 annually to the consumers of this Province.

The rapidity with which Alberta's oil resources are being developed has, in itself created new problems. While one new refinery already has been established in Edmonton, the need for increased refinery capacity and adequate facilities for transporting the rapidly increasing volume of oil is becoming acute. To help ease this situation, the Imperial Oil Company Limited proposes to construct a crude oil pipe line from the Leduc field to refineries located at Regina, Saskatchewan. We are assured that this project will be completed before the end of 1950.

As at February 21st of this year, Alberta had a total of 634 producing oil wells. Of these, 208 were in the Leduc-Woodbend and Redwater areas and the average daily allowable production from these wells alone was 35,018 barrels of crude oil. The total average daily production from all fields for the week ending February 21st, 1949, was 50,275 barrels.

Before leaving this matter, reference should be made to the important part Alberta's oil production is playing in reducing Canada's need for United States dollars. Fuel oil products imported from the United States have in the past been the largest single item for which Canada has had to provide United States funds. Alberta's oil production during the coming year will reduce by approximately \$60,000,000 the amount of United States funds which otherwise would be necessary to meet Canadian requirements of fuel oil products.

### WATER RESOURCES

The Members of the Legislature are familiar with the major irrigation projects undertaken jointly by the Dominion Government and the Government of Alberta for the extension of irrigation facilities to some 345,000 acres of dry lands in the Taber, Medicine Hat and Milk River areas. The East Pothole Coulee Dam, financed by the Province, now has been completed and the reservoir partly filled. The main tunnel diverting the St. Mary's River to make possible the construction of the St. Mary's Dam also has been completed and good progress has been made with the construction of the dam itself. A joint advisory board, consisting of Dominion representatives and a representative from each of the Provinces of Alberta, Saskatchewan and Manitoba, has been established as a result of negotiations referred to in my Budget Address of last year. This board is now functioning and will advise the governments concerned with respect to the equitable allocation of waters of inter-provincial streams and their effective use for irrigation and power development projects. During the year, the power possibilities of the proposed

Red Deer River Ardley Dam were fully investigated. While it is considered economically feasible to generate a considerable amount of power at this site in conjunction with development for irrigation purposes, priority is being given to the Spray Lakes power development in order to meet the rapidly increasing power demands of the Province. In conjunction with the Spray Lakes site power development, the Calgary Power Company Limited also proposes to develop the Bearspaw power site on the Bow River some ten miles above the City of Calgary. In order to make the Spray Lakes site available for power development, the Dominion Government has agreed to amend the National Parks Act to exclude from the Banff National Park certain areas required for water storage purposes.

Negotiations are in progress with the Dominion Government in an effort to conclude at the earliest possible date a satisfactory agreement governing the equitable division of responsibility and cost with respect to the development of irrigation projects throughout the Province.

### INDUSTRIAL DEVELOPMENT

During the year 32 new industries, representing a total capital of approximately \$30,000,000, and employing some 1200 people, were established in the Province. One new manufacturing firm, specializing in oil field equipment, had a pay-roll of 300 prior to the winter season and this coming year expects to employ from 300 to 500 men at their plant and in the oil fields. It is estimated that the oil industry is now providing employment for approximately 5,000 people.

The Propane Plant under construction last year is now in production with an output of approximately 15,000 gallons per day. Drilling mud, practically all of which has been imported from the United States, is now being produced in a new plant at Calgary with a present output of 250 tons per month. This plant and the Propane manufacturing plant were both established with financial assistance by the Alberta Industrial Corporation.

The Government will continue its policy of encouraging and assisting sound industrial development within the Province and substantial further progress is anticipated during the coming year.

### CO-OPERATIVE ACTIVITIES

The number of consumer and marketing co-operatives carrying on business in the Province at the end of 1948 totalled 345, a net increase of 16 during the year. While complete returns on their operations are not yet available, it is estimated the volume of business handled was in the neighbourhood of \$150,000,000. The number of active credit unions is practically the same as last year, but their aggregate membership of 25,000 shows an increase of over 2,000 during the year, while their assets have increased from \$2,400,000 to \$3,000,000.

During the year, 36 Rural Electrification Co-operative Associations were formed for the purpose of distributing power to their members. The number of farms serviced with electricity at December 31st, 1948, totalled 3,532, and of this number, 612 are members of

Co-operative Associations. Since the beginning of 1949, the number of these Rural Electrification Co-operative Associations already has been increased to 48 and it is estimated that an additional 600 farms will be served with power by the end of March as a result of their operations. The Government will continue to assist in the establishment of these organizations and to aid them financially under the provisions of The Co-operative Marketing Associations Guarantee Act.

### TREASURY BRANCHES

The steadily increasing volume of business being transacted through the Treasury Branches is indicated by the statements for the fiscal year ending March 31st, 1948, which appear in the Public Accounts. Revenues for the year show an excess over expenditures of \$127,100 as compared with \$125,300 for the previous year. During the calendar year, ended December 31st, 1948, a total of 45 branches were in operation and additional services were being afforded through 14 sub-branches and 112 agencies. Deposits by the public as at December 31st, 1948, were approximately \$29,000,000 and there was an increase of 1,700 accounts during the year. Total loans outstanding as at December 31st, 1948, amounted to \$9,467,000, which includes advances to Municipal and School authorities, amounting to \$1,292,000, and \$1,360,000, representing advances to Co-operative Associations, the payment of which is guaranteed by the Province.

Readily realizable assets totalled \$21,910,000, representing cash and bank balances of \$6,160,000 and Dominion of Canada bonds, aggregating \$15,750,000. The increased deposits and the increased number of people utilizing the Treasury Branch services indicates their value to the public and warrants their further extension as circumstances permit.

### ALBERTA HAIL INSURANCE BOARD

Approximately 13,000 farmers insured their crops with the Alberta Hail Insurance Board during 1948. The volume of business was the third largest in the 11 years the Board has been in operation. During this period the Board has issued 135,000 policies covering approximately 22,000,000 acres of crops. Claims as a result of damage by hail were paid on approximately 3,000,000 acres during the 11-year period.

With accumulated reserves of approximately \$1,750,000, the Board in 1948 adopted the policy of distributing part of its surpluses, and the distribution of approximately 5% of the premium income was made to some 12,000 policyholders. It is hoped to distribute 50% of future annual surpluses by way of dividends. The adoption of this policy marks another step toward the Board's objective of providing protection against damage from hail at the lowest possible cost.

The Board has received loyal co-operation and support from the farmer policyholders as indicated by the fact that during the 11-year period the premium income of approximately \$10,000,000 payable mainly from crop returns has been paid with the exception of the small sum of \$1,000.

**FISCAL YEAR ENDED MARCH 31st, 1948**

The financial statement of the operation of the Government for the last fiscal year ended March 31st, 1948, shows an over-all surplus on Income and Capital Accounts of \$6,740,483.76 after providing \$1,687,000 for the retirement of debentures. From this surplus the sum of \$2,434,000 was provided toward the redemption of the Alberta and Great Waterways Railway debenture issue of \$5,400,000; and our Public Debt showed a corresponding reduction of \$2,400,000.

**PUBLIC DEBT, MARCH 31, 1948**

The net funded and unfunded debt amounted to \$127,974,678 as at March 31st, 1948, compared with \$144,966,823 at the end of the previous fiscal year, a decrease of \$16,992,144. The net funded debt of \$121,447,657 represents the entire Debenture and Treasury Bill debt of the Province, and the amount is payable on a serial basis annually to 1980. The Government also has the option after June 1st, 1950, of calling for redemption all or any part of the 3½% debentures totalling some \$79,000,000. The per capita funded debt as at March 31st, 1948, was \$143.56 as compared with \$170.65 on March 31st, 1944. The unfunded debt of \$6,527,000 is made up of liabilities to the Pension Fund of \$4,889,000, Savings Certificates of \$1,038,000, and miscellaneous liabilities of \$599,000.

**PUBLIC ACCOUNTS**

The Public Accounts for the fiscal year ended March 31st, 1948, have been tabled and released to the public and it is unnecessary for me to refer to them in detail at this time.

It is, I think, gratifying to the Members of this Assembly, including those in opposition to the Government, that the continued buoyancy of provincial revenues above that which was anticipated, combined with careful administration, has made it possible for the Government to report another over-all surplus on Income and Capital Accounts.

**CURRENT FISCAL YEAR, 1948/49**

The interim financial statement for the nine months' period ended December 31st, 1948, has been furnished to the Members of the Legislature.

The statement is a cash statement only; and shows an over-all surplus of \$2,004,786 after providing \$639,954 for debt retirement and net payments on Capital Account amounting to \$12,601,565.

Particulars of increased revenue and expenditure are given and there is no need for me to review the statement in detail. Since the date of the interim statement, provincial revenues have been augmented by a sum in excess of \$5,000,000, realized from the sale of oil development rights on two additional sections of land in the Redwater oil field.

I am pleased to report that notwithstanding necessary expenditures substantially in excess of those estimated for the year, increased



revenues accruing mainly from our oil resources will enable us to complete the fiscal year with an over-all surplus on both Income and Capital Account.

### ESTIMATES

#### Fiscal Year ending March 31, 1950.

May I now direct the attention of the Assembly to the estimated revenue and expenditure for the ensuing fiscal year ending March 31, 1950. Copies of the detailed estimates have been tabled, which you will note include expenditures on Income and Capital Accounts and provision for debt retirement in order to arrive at our estimated budgetary requirements.

A summary of the total estimated over-all requirements on both Income and Capital accounts for the coming year is as follows:

Estimated revenue—Income Account .....	\$61,944,000
Estimated ordinary expenditure—Income Account .....	48,354,000
Estimated surplus before Debt Retirement .....	\$13,590,000
Debt Retirement .....	343,000
Estimated surplus—Income Account .....	\$13,247,000
Estimated receipts—Capital Account .....	\$ 2,288,000
Estimated payments—Capital Account .....	17,962,000
Estimated net Capital payments .....	\$15,674,000
Less: Estimated surplus—Income Account .....	13,247,000
Estimated sum required to be provided from accumulated surpluses .....	<u>\$ 2,427,000</u>

The estimated revenues on Income Account, shown by Departments and compared with the Estimates for the current year, are as follows:

#### REVENUE-INCOME ACCOUNT

Department	1949-50	1948-49	Increase	Decrease
Legislation .....	\$ 4,660	\$ 3,615	\$ 1,045	\$
Agriculture Department .....	259,500	221,865	37,635	
Agriculture Department (Water Resources Branch) .....	19,000	19,000		
Attorney General's Department .....	1,345,650	1,193,700	151,950	
Education Department .....	225,500	206,000	19,500	
Municipal Affairs Department .....	54,200	39,500	14,700	
Provincial Secretary's Department .....	10,896,050	9,536,550	1,359,500	
Public Health Department .....	2,155,050	579,950	1,575,100	
Public Works Department .....	2,822,865	2,405,825	417,040	
Treasury Department— Dominion Government Subsidies .....	2,018,000	2,018,040		40
Treasury Department— Dominion Provincial Tax Agreement, 1947 .....	15,400,000	13,600,000	1,800,000	
Treasury Department .....	11,612,000	10,913,000	699,000	
Lands and Mines Department Industries and Labour Department .....	161,000	154,300	6,700	
Public Welfare Department .....	36,000	40,000		4,000
Lands and Forest Department .....	2,263,525		2,263,525	
Mines and Minerals Department .....	12,671,000		12,671,000	
	<u>\$61,944,000</u>	<u>\$45,230,595</u>	<u>\$21,016,695</u>	<u>\$ 4,303,290</u>

A net increase of \$16,713,405

## REVENUE

The major increases in revenue are anticipated from the following sources: petroleum and natural gas, fees and rentals, \$1,200,000; Royalties on the production of petroleum, \$1,800,000, making a combined increase of \$3,000,000, directly due to the increased development of our natural resources. Additional revenue to the amount of \$6,500,000 is expected to accrue from the Government's policy of offering for sale by competitive bid petroleum development rights on Crown reserves in proven oil-bearing areas. There are indications that this amount may be exceeded by sales of development rights in the Redwater field alone. An additional \$390,000 is estimated from petroleum and natural gas fees, rentals and royalties on School Lands; \$285,000 from coal royalties and an increase of \$160,000 in revenues under The Mineral Taxation Act.

Revenues from timber permits and grazing permits show increases of \$100,000 and \$45,000 respectively, as compared with estimated receipts for the current year. An increase of \$1,100,000 is anticipated from the Fuel Oil Tax and \$200,000 from automobile owners' certificates, based on the actual receipts for the present fiscal year.

In the Department of Public Health, you will not reimbursements from the Dominion Government amounting to \$114,000 for cancer treatment, \$500,000 for hospital construction and \$847,000 for health services, with corresponding appropriations under the expenditure section of the estimates.

Under the Treasury Department, liquor profits are estimated at \$9,500,000, an increase of \$500,000, based on the actual experience of the current year. An increase of \$1,800,000 is estimated from grants under the terms of the Dominion-Provincial Tax Transfer Agreement, mainly due to increases in the gross national product. An increase of \$80,000 is anticipated from interest on investments and \$68,000 from increased earnings of the Treasury Branches.

Although the estimated revenue on Income Account shows the over-all substantial increase of \$16,713,405, it is, in the main, based on the actual receipts for the current fiscal year. There are no grounds to expect that actual receipts will be substantially in excess of those estimated with the possible exception of monies received from the sale of petroleum development rights. It is difficult to estimate what the actual revenue from this source may be in any given year but it must be borne in mind that this is not a source of revenue that will continue indefinitely. Any substantial increase in revenue from the sale of petroleum development rights in any one year must not be interpreted as indicating an increase in the aggregate amount of revenue available from this source. The more rapidly we dispose of development rights on Crown reserves the shorter will be the period during which this source of revenue will be available. At the same time it must be remembered that the more rapidly our oil resources can be brought into production and the greater the extent of their development, the more quickly our people will reap the benefits which rightfully are theirs from the development of their own natural resources. To this end, it is the intention of the Government to continue to encourage the orderly and progressive development of our natural resources through private enterprise on

terms which are fair and equitable to those prepared to take the risks involved in such development, and to the people of our Province as a whole.

The total expenditures on Income Account are estimated at \$48,697,000 as compared with \$37,713,178 for the current year, an estimated net increase of \$10,983,822.

The total estimated expenditures by Departments are as follows and I shall give the estimates for the current year for the purpose of comparison.

## EXPENDITURE-INCOME ACCOUNT

Department	1949-50	1948-49	Increase	Decrease
Public Debt Service Charges .....	\$ 5,633,000	\$ 5,633,000		
Executive Council .....	647,040	445,855	201,185	
Legislation .....	373,875	296,135	77,740	
Agriculture Department .....	1,324,967	1,253,314	71,653	
Ariculture Department (Water Resources Branch)	101,190	101,190	10,240	
Attorney General's Department	1,520,998	1,299,392	227,606	
Education Department .....	10,232,742	8,424,202 ✓	1,808,540	
Municipal Affairs Department ...	281,795	184,915	96,880	
Provincial Secretary's Department .....	325,670	272,035	53,635	
Public Health Department .....	9,031,412	6,109,274	2,922,138	
Public Works Department .....	7,650,200	5,645,664	2,004,536	
Railways & Telephones Depart- ment (Railways Branch) .....	19,527	14,760	4,767	
Treasury Department .....	1,495,202	1,265,641	229,561	
Lands and Mines Department ....		1,405,145		1,405,145
Industries and Labour Department .....	338,980	290,855	48,125	
Public Welfare Department .....	6,726,326	4,080,720	2,645,606	
Canadian Vocation Training .....	249,358	270,160		
Economic Affairs Department	410,292	384,161	26,131	
Lands and Forests Department	1,534,356		1,534,356	
Mines and Minerals Department .....	457,070		457,070	
Total Ordinary Expenditure .....	\$48,354,000	\$37,366,178	\$12,413,769	\$ 1,425,947
Debt Retirement .....	343,000	347,000		4,000
Total Expenditure .....	<u>\$48,697,000</u>	<u>\$37,713,178</u>	<u>\$12,413,769</u>	<u>\$ 1,429,947</u>
A net increase of <u>\$10,983,822</u>				

The expenditures proposed for the Department of Education total \$10,232,000, an increase of \$1,808,000 over the appropriation for the present fiscal year. Grants to schools have been increased by \$1,300,000 from \$5,700,000 to \$7,000,000, which is \$150,000 in excess of the minimum provision for school grants recommended by the Royal Commission on Taxation in its report tabled at the last session of the Legislature.

The provincial grants to the University of Alberta have been raised to \$1,300,000, an increase of \$250,000 over last year. Assistance to teachers in training has been increased from \$75,000 to \$150,000 to make possible an extended program by which we hope to augment the present short supply of teachers for our schools.

The provincial contribution to the Teachers' Pension Fund amounts to \$415,000, an increase of \$95,000 over the amount provided last year.

For the Department of Public Health, estimated expenditures total \$9,031,000, an increase of \$2,900,000 as compared with the estimates for the present year. Grants to hospitals total \$980,000, an increase of \$50,000. The sum of \$920,000 is provided for care and treatment of tuberculosis patients, an increase of \$209,000 over the amount provided in the estimates for the current year. Part of this increase is due to the fact that the Government has extended the hospitalization and treatment of tuberculosis patients to include those suffering from other than pulmonary forms of this disease.

Owing to increased costs and additional forms of treatment, an extra \$430,000 is required for the provincial mental institutions. An amount of \$229,000 is provided for the prevention and treatment of cancer, an increase of \$40,000. The total of \$803,000 required for maternity hospitalization is \$50,000 in excess of the amount provided for the current year. The cost of hospitalization and medical services for pensioners will amount to \$891,000, an increase of \$150,000. Health services under the Dominion-Provincial program are estimated at \$863,000, partly offset by reimbursements from the Dominion Government, while the sum of \$1,000,000 is provided for grants for hospital construction, of which 50% will be paid by the Dominion and is shown, together with the health service grants, in the revenue section of the Department of Public Health.

Total requirements for the Public Welfare Department are estimated at \$6,726,000, an increase of \$2,645,000 over the estimated expenditures for the current year.

As forecast in the Speech from the Throne, provision has been made for an increase in the supplementary allowances financed solely by the Province and paid to old age and blind pensioners. The present monthly allowance of \$7.00 will be increased to \$10.00 a month, effective April 1st, involving an estimated increased cost of \$550,000 for the year. The estimates for old age and blind pensions amount to \$8,489,000, of which \$2,150,000 represents the cost of supplementary pensions paid wholly by the Province. The ordinary pensions paid under agreement with the Dominion Government will approximate \$6,280,000 of which 75% or \$4,622,000 will be reimbursed by the Dominion Government.

On March 31st next the Province will discontinue the practice of charging 10% of these pensions to Municipal and Improvement Districts, thereby relieving the local authorities of all costs with respect to such pensions, and effecting for them a yearly saving of approximately \$275,000.

The sum of \$810,000 has been provided for mothers' allowances, an increase of \$160,000 over the amount appropriated last year. In addition to the ordinary or regular mothers' allowance it is proposed to pay a supplementary allowance of up to \$10.00 per month, depending upon the circumstances of the individual.

The cost of this special allowance will be borne entirely by the Province and is estimated at \$130,000. At present the Municipalities bear 25% of the costs of the regular allowances, which charge will be reduced to 20% effective April 1st next. This will result in an annual saving to the Municipalities of approximately \$30,000 per year based on the present allowances.

Implementing further recommendations of the Royal Commission on Taxation and in keeping with the Government's policy of assuming a fair share of the costs of certain services now borne by Municipalities, the sum of \$1,204,900 is provided in the estimates for this purpose as compared with \$132,400 last year. Of this increased sum, \$1,082,500 is for new grants to Municipalities and represents 60% of the costs of indigents and child welfare services, at present borne entirely by the Municipalities.

You will also note the sum of \$50,000 is provided for hospitalization and treatment of children suffering from the effects of arthritis. This is a new health service under the direction of the Public Welfare Department and the amount proposed will be augmented by an additional grant from the Dominion Government.

The Rosehaven Home for aged at Camrose now is complete and will provide comfortable accommodation for a population of 200 at an annual cost estimated at \$160,000.

Under the Executive Council there is an increase of \$150,000 in the Government's contribution to the Public Service Pension Fund. Provision has been made for an increase of \$1,000 in the combined Sessional Indemnity and expense allowance for Members of the Legislative Assembly. The indemnities and allowances have not been increased since 1910. They have been admittedly low and the upward revision will bring them more in line with those in effect in other comparable Provinces.

In the Department of Municipal Affairs there is an increase of \$42,000 in the Assessment Branch to provide assessment services to towns, villages and hamlets in keeping with the recommendation of the Royal Commission on Taxation. The assessments will be made by the Department upon request and the Government will absorb 25% of the costs. This new service is designed to bring about a more uniform basis of assessments throughout the Province.

Treasury Branch estimates are increased by \$230,000, including \$120,000 for the operation of Treasury Branches, which is partly offset by increased revenue of \$68,000. A new appropriation of \$50,000 is provided for special grants to Municipalities in lieu of taxes on Government-owned buildings used for certain specified commercial purposes.

The Department of Public Works estimates on Income Account total \$7,650,000, an increase of \$2,000,000. The sum of \$750,000 is provided for bridges, maintenance and replacement, which is an increase of \$350,000 over the amount appropriated last year. Maintenance of main highways at \$1,500,000 shows an increase of \$500,000. Grants to Municipal and Improvement Districts for roads total \$2,660,000 and are now all shown as income expenditures. This amount exceeds by \$700,000 the sums provided last year for this purpose in both Income and Capital Accounts.

## REPORT OF THE ROYAL COMMISSION ON TAXATION

Before dealing with the estimates on Capital Account, I think I should summarize the changes in the Income section of the Estimates resulting from the Government's decision to adopt and

implement most of the major recommendations of the Royal Commission on Taxation, to which reference already has been made.

To provide for the assessment of Towns, Villages and Hamlets by members of the staff of the Director of Assessments, with the Province bearing 25% of the costs, necessitates an increase in provincial expenditures of \$15,000. A sum of \$50,000 is required for special grants to Municipal Districts in lieu of taxes on certain Government owned buildings used for commercial enterprises. The Commission recommends a minimum of \$6,850,000 for School Grants. An amount of \$7,000,000 has been provided for this purpose, which represents an increased cost to the Province of \$1,300,000, as compared with the amount provided last year.

To relieve the Municipal authorities of the 10% of old age and blind pensions, which they have paid in the past, the cost to the Province will be approximately \$275,000 annually. In assuming 60% of the cost of indigent relief and child welfare services now borne by the Municipalities, we have provided \$1,040,000 in the estimates. Reducing the charge on the Municipalities from 25 to 20% of the costs of mothers' allowances, represents an increased cost to the Provincial Treasury of approximately \$30,000.

The Commission recommends that the equivalent of 25% of the revenue derived from the gasoline tax and the Motor Vehicles Act should be paid to Municipalities and Improvement Districts as grants for roads. Based on the actual receipts for the last fiscal year, under this formula these grants would approximate \$2,396,000 against the total of \$1,900,000 provided in the estimates for the current year. For the ensuing year we have provided for this purpose \$2,660,000, which is \$264,000 more than the amount recommended by the Commission and \$760,000 more than the amount provided last year.

By totalling the items to which I have made reference, it will be seen that in implementing the Commission's Report to the extent proposed, the Province has assumed increased expenditures amounting to \$3,470,000 annually. It will be clear from these figures that the Government has gone as far as it can reasonably be expected to go in easing the financial burden which the Municipalities have been required to carry in the past.

I must impress on the honourable Members of this Assembly and on our people generally that it is financially impossible for the Provincial Government, within its present sources of revenue, to meet the costs of the extended social and public services for which it has assumed responsibility and at the same time pay an ever-increasing percentage of the costs of education and other local services for which the Municipal authorities are jointly responsible. It should be remembered that this Government has not only provided and continuously expanded essential public services, but at the same time has discontinued the supplementary or Social Service Tax, thereby reducing provincial taxation and provincial revenue by over \$1,500,000 a year. This situation is in marked contrast to the conditions prevailing in the adjoining Provinces, both of which have found it necessary to levy substantial sales taxes, augmented in the Province of Saskatchewan by a provincial tax on land.

May I now direct your attention to the Capital Section of the Estimates.

The Estimated receipts for the year total \$2,288,000 a net increase of \$475,780, as compared with the estimates for the present fiscal year. The details are as follows:

#### RECEIPTS—CAPITAL ACCOUNT

Department	1949-50	1948-49	Increase	Decrease
Executive Council .....	\$1,148,000	\$ 780,100	\$367,900	
Agriculture Department .....	232,000	211,500	20,500	
Agriculture Department (Water Resources Branch) .....	324,400	300,820	23,580	
Municipal Affairs Department .....	60,000	60,500		\$ 500
Public Works Department .....	17,600	16,300	1,300	
Treasury Department .....	416,000	411,000	5,000	
Lands and Mines Department .....		32,000		32,000
Lands and Forests Department .....	90,000		90,000	
<b>Total Receipts .....</b>	<b>\$2,288,000</b>	<b>\$1,812,220</b>	<b>\$ 508,280</b>	<b>\$32,500</b>

A net increase of \$475,780

Increased contribution to the Pension Fund by the employees and Government, largely due to the extension of the Pension Act account for the increased estimates in capital receipts of \$360,000 under Executive Council.

Receipts from other Departments show little change in the amounts for the present year.

Payments on Capital Account are estimated at \$17,962,000, a net increase of \$2,325,625 over the total provided for the present year. The details, by Departments are as follows:

#### PAYMENTS—CAPITAL ACCOUNT

Department	1949-50	1948-49	Increase	Decrease
Executive Council .....	\$ 450,000	\$ 350,000	\$ 100,000	
Agriculture Department .....	210,000	135,000	75,000	
Agriculture Department (Water Resources Branch) .....	739,850	418,650	321,200	
Agriculture Department (Agricultural Relief) .....	13,810	12,815	995	
Municipal Affairs Department .....	1,500	1,500		
Public Works Department .....	15,667,150	13,945,670	1,721,480	
Treasury Department .....	131,000	254,000		\$123,000
Lands and Mines Department .....		518,740		518,740
Lands and Forests Department .....	743,690		743,690	
Mines and Minerals Department .....	5,000		5,000	
<b>.....</b>	<b>\$17,962,000</b>	<b>\$15,636,375</b>	<b>\$ 2,967,365</b>	<b>\$641,740</b>

A net increase of \$2,325,625

Expenditures by the Executive Council show an increase of \$100,000 representing increased refunds of contributions to the Public Service Pension Fund and payment of pensions.

In the Department of Agriculture estimates, the sum of \$40,000 is included for the destruction of agricultural pests in preparation for a probable plague of grasshoppers in some areas of the Province. The sum of \$35,000 is included for the purchase of seed for settlers on the Wanham project.

Under Water Resources the sum of \$500,000 has been provided for the construction of irrigation works, an increase of \$250,000 over the amount appropriated last year. Legislation will be introduced providing for additional expenditures for irrigation projects undertaken jointly by the Dominion Government and the Province.

Provision also will be made in this legislation for expenditures in connection with the proposed Trans-Canada Highway which are conditional upon a satisfactory agreement being concluded between the Dominion Government and the various Provinces.

Ordinary capital expenditures under the Department of Public Works are estimated at \$15,667,150 as compared with \$13,945,670 for the current year, an increase of \$1,721,480. The appropriation for main highways construction at \$9,174,200 is \$229,000 in excess of the amount provided for the current year. The sum of \$1,000,000 provided for bridge construction represents an increase of \$500,000. The sum of \$5,194,000 is provided for public buildings and institutions, an increase of \$1,060,000 over this year's estimates. An amount of \$250,000 is included for the partial construction of a new agricultural school, against which there is reimbursement of 50% of the costs by the Dominion Government.

The sum of \$750,000 is provided for construction of the tuberculosis sanatorium in Edmonton. This building was commenced last year and will be completed in 1950. A contribution of \$250,000 is anticipated under the Dominion Government's Health Grant Act against the work which will be completed during the coming year.

The sum of \$145,000 is required for new construction at the Central Alberta Sanatorium at Calgary; and \$255,000 for additional dormitories and alterations to the main buildings of the Provincial Training School at Red Deer. At the Mental Institute, Oliver, the amount of \$380,000 is required, \$250,000 of which is for the erection of a tuberculosis hospital and \$50,000 for a new occupational therapy and recreational building. Reimbursements from the Dominion Health Grants are estimated at \$83,000 with respect to the tuberculosis hospital. The sum of \$94,000 is provided for new construction at the mental hospital at Ponoka, which includes \$75,000 for a new occupational therapy building.

The sum of \$40,000 will be expended for an addition to the storage and repair shops of the Department of Public Works at Edmonton.

An amount of \$750,000 is provided for the construction of an addition to the University Hospital. This is a three-year program and was commenced last year.

The amount included for the University of Alberta building program totals \$1,202,000, consisting of \$706,000 for the library building and \$326,000 as a repayable advance to aid in the construction of the Students' Union Building. Both of these projects already are under construction.

The sum of \$150,000 is provided for a Provincial Building at Red Deer to house various Government offices.

Alterations to the Lethbridge Gaol require \$79,000. The amount of \$50,000 is included for new Treasury Branch premises and \$40,000 for the Institute of Technology at Calgary. Construction will be



commenced this year on a new Provincial Administration Building in Edmonton, which, when completed, will enable the Government to consolidate offices now located in various buildings throughout the City. The sum of \$500,000 is provided for this purpose. Construction of a Provincial Laboratory Building at the University will be started this year and \$250,000 appears in the estimates for this purpose.

The building programme as outlined represents a very substantial capital expenditure. However, this year should see the completion of most of the new buildings required at the Sanatorium and other provincial institutions. Construction expenditures will then be confined mainly to the completion of buildings at the University, the University Hospital Building, the Aberhart Memorial Sanatorium at Edmonton and the proposed new Administration Building.

Under the Department of Lands and Forests a total sum of \$743,690 is provided for the clearing and breaking and preparation of land for returned veterans in the Wanham area. The amount is comparable with the estimated expenditure for the present year.

A new appropriation of \$1,205,610 appears in the same Department for Capital Expenditures of the Eastern Rockies Forest Conservation Board. This sum will be reimbursed in full by the Dominion Government in accordance with our agreement.

The Budget I have presented today forecasts receipts and expenditures substantially in excess of any previous Budget in the history of our Province. From the information it contains, several important facts will be obvious to the honourable Members of this Assembly and to the public generally.

It is clear that the Province has established new maximums, both for public services and capital expenditures, beyond which it is impossible to go without resorting to borrowing or the imposition of additional taxation unless there is a further increase in receipts from our present sources of revenue. This latter possibility is extremely doubtful in view of the high level of our current income. Last year I pointed out that 34.5% of the Province's revenue was received by way of a grant from the Dominion Government under the Tax Transfer Agreement. A further 20% of our revenue was derived from profits of the Liquor Control Board and an additional 24% was received from motor vehicle licenses and gasoline taxes. The receipts from these sources at that time represented 79% of our total income revenue. There has been a marked change in the short course of a year. An analysis of the estimated revenue in the Budget I have presented today shows that Dominion subsidies and grants now approximate only 28.12% of our income revenue as against 34.5% last year. Liquor profits will amount to 15.34% as compared with 20%, while the revenue from motor vehicle licenses and gasoline tax represents 20.67% of our total estimated revenue as compared with 24.5% in the Budget of last year. This year, revenue from our natural resources, which I have referred to in detail, will approximate 24.11% of our revenue on Income Account or a total of \$14,935,000.

I already have pointed out that the greater part of this revenue accrues from the depletion of provincial assets, represented by our oil resources, and hence this is not a source of revenue that will continue indefinitely. Because these revenues represent a depletion

of provincial assets, the Government holds that they cannot properly be used for current operating expenses, but rather should be used for capital expenditures which provide other assets in place of those being depleted.

In keeping with this policy, we have apportioned for capital purposes, including highways and public buildings an amount in excess of \$15,000,000. From these figures it will be seen that our capital expenditures are being financed almost entirely by revenues accruing from the depletion of our oil and other natural resources.

Our entire estimated revenue from all other sources is required to meet the current costs of the social and other public services now being provided by the Province. It, therefore, is clear that should there be any decline in the financial revenues now accruing from the development of our natural resources, the Government would be forced to correspondingly reduce capital expenditures or resort to borrowing and increased taxation.

### CONCLUSION

In my introductory remarks I made reference to the fact that the Budget indicates certain current trends worthy of our serious attention and consideration.

In closing, may I enlarge briefly on those remarks. In concluding his Budget Address in this Assembly on March 8th, 1935 the Honourable J. R. Love, then Provincial Treasurer, had this to say:

"The duties and responsibilities placed on a Provincial Government are increasing year after year due to the changing conception of the responsibilities of the State, and a tendency to regard the State as the chief force in expanding and consolidating provincial and national life. The trend of expenditure on social services, including education and public health, is constantly upward, reaching the enormous sum of \$6,000,000 in this Province for the year ending March 31st, 1934."

The Budget I have presented today calls for expenditures for social services, including education and health, amounting to approximately \$26,000,000. The fact that this Legislature now is called upon to appropriate for such services more than four times the amount considered excessive only fifteen years ago is not without significance. The ever-increasing demands on all governments for new and extended social and public services, while fully justified within proper limits, are indicative of a current trend fraught with serious ultimate consequences.

It is a barometer that registers the growing tendency of people to expect the State to assume responsibility for an ever-increasing number of things in which formerly they would have been quick to resent any suggestion of State interference. It is desirable and right that each citizen should share in the benefits of organized society but it is folly to assume that those benefits can best be obtained by requiring or permitting the State to assume responsibility for, and thereby authority over, matters which rightfully should remain the personal business and responsibility of individual citizens. This dangerous trend, fostered by Socialists and exploited by Communists, unless halted and reversed by the people themselves, will:

lead to an ever-increasing measure of bureaucratic State control and to the ultimate loss of all true personal freedom and individual enterprise.

Equally serious are the trends evident today in the economic sphere. The artificial prosperity of the war years has been maintained in both Canada and the United States primarily by circumstances which are neither permanent nor economically sound. Prevailing prices and demand for agricultural and industrial products in both countries have been maintained by large scale Government expenditures for defence purposes and the shipment of vast quantities of goods to Europe under the European Recovery Plan. This program has preserved a reasonably high level of employment, and the purchasing power distributed in Canada and the United States in the production of armaments and other goods sent to Europe, has bolstered consumer demand for the products of other industries. But we must not lose sight of the fact that any substantial change in this set of temporary circumstances could quickly remove these artificial stimuli by which our postwar prosperity is being maintained.

The cold hard fact is, the aggregate consumer purchasing power in the United States and Canada is insufficient to sustain a high level of employment and production unless augmented by incomes derived from expenditures for defence and the manufacture of goods given or sold on credit to other countries. Even with this stimulus the supply of consumer goods is beginning to surpass the financial resources of the consuming public. Already this is resulting in a measure of business recession and the spectre of unemployment is raising its head in the United States and some parts of Canada.

Canadian statistics reveal that while the wartime accumulated personal savings of Canadian citizens amounted to \$1,738,000,000 in 1944, by 1947 they had declined to \$605,000,000 with a further and more rapid decline since that date. These are trends which obviously it is folly to ignore.

But I suggest, Mr. Speaker, that this situation does not represent a problem impossible of solution. We in this country and this Province are blessed with an abundance of natural resources. Industry, under a system of private enterprise, has demonstrated its ability to exceed the production of socialized states and produce sufficient goods to make possible a high standard of living for all our people. It only remains for us to make it possible for our people to obtain sufficient aggregate purchasing power to distribute equitably the entire output of our industrial system or its equivalent when our goods are exchanged for those of other countries. Certainly it is no less important adequately to finance consumption than it is to finance production. While this represents a departure from orthodox financial practice, its practical necessity cannot be denied. Constitutional restrictions imposed on the Provinces by the British North America Act have prevented this Government from taking effective action in this matter in the provincial field. This does not, however, detract from our responsibility or our determination to continue to urge upon the Dominion Government the urgent necessity of effective steps to assure the full monetization of the entire output of Canadian industry and the use of the monetary fund thereby created to supplement the earned income of the Canadian people. Only thus can consumption be adequately financed and our Canadian economy

established on a sound foundation, where it no longer will be dependent upon artificial stimuli provided by war or the threat of war to assure stable and permanent prosperity for all our people.

In the light of these circumstances, the payment of national consumer dividends and the institution of the scientific compensated price discount, consistently advocated by this Government, is no longer a matter of mere economic or monetary theory, but a practical necessity which cannot longer be ignored. There is a direct connection between these matters and the Budget of this or any other Province. Not only the social welfare and economic security of our people but the ability of Provincial Governments to obtain sufficient revenues to discharge properly their constitutional responsibilities is inseparably bound up with these essential national monetary reforms.

All honourable Members, therefore, should keep these important considerations in mind when analyzing the Budget I have been privileged to present today. Constructive criticisms of its provisions will be welcomed by the Government irrespective of the side of the House from which they come.

Mr. Speaker, I move that you do now leave the chair and that the Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.



STATEMENT No. 1

GOVERNMENT OF THE PROVINCE OF ALBERTA  
STATEMENT OF FUNDED DEBT AS AT MARCH 31, 1948

Date of Issue	Date of Maturity	Amount Authorized	Amount Outstanding Mar. 31, 1948	Original Interest Rate	Reduced Interest Rate (a)	Currency in which payable (at holder's option)	Denominations
<b>*Debentures and Stock Issued Prior to June 1, 1945:</b>							
Jan. 15, 1945:	Jan. 15, 1946	\$3,750,000.00	\$	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00; \$100.00
Jan. 15, 1925:	Jan. 1, 1947	3,846,000.00	10,000.00	5 1/2 %	2 3/4 %	C. or U.S.	\$1,000.00; \$500.00
Jan. 2, 1925:	Mar. 1, 1947	5,000,000.00	22,700.00	6	3	C. or U.S.	\$1,000.00; \$500.00
Jan. 1, 1925:	Jan. 1, 1948	4,800,000.00	39,000.00	5	2 1/2 %	C. or U.S.	\$1,000.00
Jan. 1, 1925:	April 15, 1950	3,740,000.00	44,000.00	5	2 1/2 %	C. or U.S.	\$1,000.00
April 15, 1925:	April 1, 1951	3,000,000.00	3,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00
Oct. 1, 1925:	Oct. 1, 1952	3,000,000.00	16,000.00	5 1/2 %	2 3/4 %	C. or U.S.	\$1,000.00; \$500.00
April 1, 1925:	April 1, 1952	1,000,000.00	7,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
Oct. 15, 1924:	Oct. 15, 1949-54	3,000,000.00	14,100.00	4	2	C. or U.S.	\$1,000.00; \$500.00
Dec. 15, 1924:	Dec. 15, 1949-54	3,000,000.00	22,700.00	5	2 1/2 %	C. or U.S.	\$1,000.00; \$500.00
Sept. 1, 1925:	Sept. 1, 1955	6,000,000.00	68,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
Oct. 1, 1926:	Oct. 1, 1956	1,275,000.00	6,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
Jan. 15, 1927:	Jan. 15, 1957	1,875,000.00	6,700.00	4	2	C. or U.S.	\$1,000.00; \$500.00
Dec. 1, 1927:	Dec. 1, 1957	3,500,000.00	26,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
July 16, 1928:	July 16, 1958	5,915,000.00	56,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
Oct. 1, 1928:	Oct. 1, 1958	3,000,000.00	41,700.00	5	2 1/2 %	C. or U.S.	\$1,000.00; \$500.00
Oct. 1, 1929:	Oct. 1, 1959	3,000,000.00	10,800.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
May 1, 1930:	May 1, 1960	5,000,000.00	40,500.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
April 1, 1931:	April 1, 1961	4,866,666.66	\$52.22	5	2 1/2 %	C. or U.S.	\$1,000.00; \$500.00
June 1, 1932:	June 1, 1962-67	5,230,500.00	8,000.00	4 1/2 %	2 1/4 %	C. or U.S.	\$1,000.00; \$500.00
June 1, 1927:	June 1, 1967		\$				
<b>**Debentures and Stock Issued as Exchanges under Debt Reorganization:</b>							
June 1, 1945:	June 1, 1961	\$2,794,400.00	\$	3 1/2 %		C. or U.S.	\$1,000.00; \$500.00; \$100.00
	June 1, 1962	2,049,000.00	2,033,000.00			C. or U.S.	\$1,000.00
	" 1962	847,000.00	847,000.00			C. or U.S.	\$1,000.00
	" 1963	1,602,000.00	1,590,000.00			C. or U.S.	\$1,000.00; \$500.00
	" 1963	1,398,000.00	1,395,000.00			C. or U.S.	\$1,000.00
	" 1964	3,108,000.00	3,098,000.00			C. or U.S.	\$1,000.00
	" 1965	124,000.00	124,000.00			C. or U.S.	\$1,000.00
	" 1965	3,096,000.00	3,086,000.00			C. or U.S.	\$1,000.00; \$500.00; \$100.00
	" 1966	1,875,600.00	1,864,700.00			C. or U.S.	\$1,000.00
	" 1966	1,460,000.00	1,448,000.00			C. or U.S.	\$1,000.00
	" 1967	1,025,000.00	1,022,000.00			C. or U.S.	\$1,000.00
	" 1967	2,431,000.00	2,410,000.00			C. or U.S.	\$1,000.00
	" 1968	3,580,000.00	3,511,000.00			C. or U.S.	\$1,000.00
	" 1969	3,710,500.00	3,701,000.00			C. or U.S.	\$1,000.00; \$500.00
	" 1970	3,844,000.00	3,826,000.00			C. or U.S.	\$1,000.00; \$500.00
	" 1971	3,270,000.00	3,252,000.00			C. or U.S.	\$1,000.00
	" 1971	712,000.00	710,000.00			C. or U.S.	\$1,000.00
	" 1972	1,272,000.00	1,261,000.00			C. or U.S.	\$1,000.00
	" 1972	2,854,000.00	2,820,000.00			C. or U.S.	\$1,000.00; \$500.00
	" 1973	4,275,000.00	4,253,500.00			C. or U.S.	\$1,000.00; \$500.00
	" 1974	1,751,000.00	1,746,500.00			C. or U.S.	\$1,000.00
	" 1974	2,677,000.00	2,663,000.00			C. or U.S.	\$1,000.00
	" 1975	4,589,000.00	4,530,000.00			C. or U.S.	\$1,000.00; \$500.00

	1976	4,754,800.00	4,754,800.00	C or U.S.	\$1,000.00; \$500.00; \$100.00
"	1977	2,241,200.00	2,231,400.00	C or U.S.	\$1,000.00; \$500.00; \$100.00
"	1977	2,684,000.00	2,685,000.00	C or U.S.	\$1,000.00; \$500.00; \$100.00
"	1978	5,102,600.00	5,067,700.00	C or U.S.	\$1,000.00; \$500.00; \$100.00
"	1979	460,000.00	460,500.00	C or U.S.	\$1,000.00; \$500.00
"	1979	734,500.00	727,500.00	C or U.S.	\$1,000.00; \$500.00
"	1979	4,092,307.93	4,091,415.71	S	£1-0 Stock
"	1980	1,784,000.00	1,784,000.00	C or U.S.	\$1,000.00
"	1980	3,693,000.00	3,685,000.00	C or U.S.	\$1,000.00
			\$ 79,378,115.71		
<b>Debentures Issued for Cash as at June 1, 1945:</b>					
	June 1, 1948	44,000.00	\$ 44,000.00	C	\$1,000.00
"	1949	45,000.00	45,000.00	C	\$1,000.00
"	1950	46,000.00	46,000.00	C	\$1,000.00
"	1951	2,266,000.00	2,266,000.00	C or U.S.	\$1,000.00
"	1952	2,329,000.00	2,329,000.00	C or U.S.	\$1,000.00
"	1953	2,400,000.00	2,400,000.00	C or U.S.	\$1,000.00
"	1954	2,474,000.00	2,474,000.00	C or U.S.	\$1,000.00
"	1955	2,533,000.00	2,533,000.00	C or U.S.	\$1,000.00
"	1956	2,573,000.00	2,573,000.00	C or U.S.	\$1,000.00
"	1957	2,604,000.00	2,604,000.00	C or U.S.	\$1,000.00
"	1958	2,904,000.00	2,904,000.00	C or U.S.	\$1,000.00
"	1959	3,003,000.00	3,003,000.00	C or U.S.	\$1,000.00
"	1960				
			\$ 26,228,000.00		
<b>Eeentures Issued for Cash Subsequent to June 1, 1945:</b>					
(b) Dec. 1, 1947	Dec. 1, 1948-52	\$1,250,000.00	\$ 1,250,000.00	C	\$1,000.00
(b) Dec. 1, 1947	Dec. 1, 1953-57	1,250,000.00	1,250,000.00	C	\$1,000.00
<b>Treasury Bills:</b>					
July 1, 1947	July 1, 1948-77	\$5,297,500.00	\$ 5,297,500.00	C	Single denominations maturing annually. Held by Dominion of Canada.
July 1, 1947	July 1, 1948-77	7,585,750.00	7,585,750.00	C	
			\$ 12,883,250.00		
<b>Summary:</b>					
<b>Debentures and Stock:</b>					
**Issued prior to June 1, 1945:			\$ 458,292.22		
**Issued as exchanges under debt reorganization:			79,378,115.71		
Issued for cash as at June 1, 1945:			26,228,000.00		
(b) Issued for cash subsequent to June 1, 1945:			2,500,000.00		
			\$108,564,407.93		
<b>Treasury Bills:</b>			12,883,250.00		
			\$121,447,657.93		
<b>Funded debt</b>					

Standing issues converted at par.  
 \*Funds and stores included in debt reorganization offer and outstanding at March 31, 1948.  
 \*\*Callable before maturity in instalments.  
 (a) Reduced interest rates tendered by the Province.  
 (b) Serial debentures: \$250,000.00 maturing annually on December 1, 1948, to December 1, 1957 inclusive.  
 Abbreviations: C—Canada. U.S.—United States of America.  
 S.—Great Britain.

## STATEMENT No. 2

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

## INCOME ACCOUNT

## GENERAL REVENUE FUND:

Year ended Dec. 31st	Particulars	Revenue	Expenditure	Surplus or *Deficit
1905	Per Order-in-Council 966/11 .....	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47
1906	" .....	1,425,059.01	1,279,041.44	146,017.57
1907	" .....	1,847,452.61	1,839,064.04	8,388.57
1908	" .....	2,755,900.41	2,079,708.20	676,192.21
1909	" .....	2,511,851.46	2,632,935.53	121,084.07*
1910	" .....	2,071,773.94	3,696,826.86	1,625,052.92*
		<b>\$ 11,248,013.00</b>	<b>\$ 11,677,597.17</b>	<b>\$ 429,584.17*</b>
1911	Per Public Accounts .....	2,802,325.79	3,037,618.45	235,292.66*
1912	" .....	3,419,381.52	3,353,258.48	66,123.04
1913	" .....	4,519,345.19	4,409,795.18	109,550.01
1914	" .....	4,350,836.79	4,446,160.31	95,323.52*
1915	" .....	4,144,040.18	4,742,374.81	598,334.63*
1916	" .....	4,228,974.28	5,006,993.08	778,018.80*
1917	" .....	5,069,303.73	5,712,643.03	643,339.30*
1918	" .....	6,283,336.15	7,132,119.21	848,783.06*
1919	" .....	8,004,476.10	7,905,330.47	99,145.63
1920	" .....	9,005,862.21	8,544,052.16	461,810.05
1921	" .....	8,486,946.25	10,605,155.91	2,118,209.66*
1922	" .....	9,324,889.73	11,235,192.22	1,910,302.49*
1923	" .....	10,419,146.26	10,990,830.00	571,683.74*
1924	" .....	10,506,627.13	11,127,468.55	620,841.42*
1925	" .....	11,531,025.99	11,343,006.45	188,019.54
1926	" .....	11,912,128.27	11,894,327.74	17,800.53
1927	" .....	12,263,400.64	12,479,380.97	215,980.33*
Year ended March 31st:				
1928(3 months)**		3,886,495.04	3,390,751.58	495,743.46
1929	" .....	15,265,083.77	13,686,260.68	1,578,823.09
1930	" .....	15,829,865.22	15,402,884.57	426,980.65
1931	" .....	15,710,962.44	18,017,543.54	2,306,581.10*
1932	" .....	13,492,430.28	18,645,481.20	5,153,050.92*
1933	" .....	13,426,264.94	17,533,785.97	2,107,521.03*
1934	" .....	15,178,607.44	17,056,638.86	1,878,031.42*
1935	" .....	15,697,770.48	17,435,821.37	1,738,050.89*
1936	" .....	16,575,151.62	18,225,949.86	1,650,798.24*
1937	" .....	20,743,045.72	20,565,192.83	77,852.89
1938	" .....	24,127,805.54	21,359,739.46	2,768,066.08
1939	" .....	24,269,817.40	21,242,625.48	3,027,191.92
1940	" .....	24,410,039.54	21,922,189.04	2,487,850.50
1941	" .....	21,921,669.29	20,570,675.91	4,350,993.38
1942	" .....	27,213,546.34	19,965,125.48	7,248,420.86
1943	" .....	27,961,197.97	21,588,134.34	6,373,063.63
1944	" .....	29,786,033.38	23,095,501.98	6,690,531.40
1945	" .....	31,848,484.17	25,962,684.07	5,885,800.10
1946	" .....	40,915,956.30	29,268,547.92	11,647,408.38
1947	" .....	42,588,038.42	31,939,342.48	10,648,695.94
1948	" .....	57,209,572.31	40,020,848.24	17,188,724.07
	Debt Reorganization Programme .....	13,649,353.34	23,331,521.18	9,682,167.84*
		<b>\$654,227,250.16</b>	<b>\$605,970,550.23</b>	<b>\$48,256,699.93</b>
Add: Excess of income assets over liabilities and adjustments .....				2,213,888.61
Surplus, General Revenue Fund, March 31st, 1948 .....				<b>\$ 50,470,588.54</b>
Deduct: Alberta Government Telephones deficit, March 31st, 1948 .....				1,280,650.55
Income Surplus, March 31st, 1948 .....				<b>\$ 49,189,937.99</b>

Certified correct,

C. K. HUCKVALE, C.A.,  
Provincial Auditor



STATEMENT No. 3  
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATISTICS

1. AGRICULTURE—

(a) GENERAL:

Area.....	(Acres)	Land	159,232,000 Acres.
		Water	4,150,400 Acres.
		<b>TOTAL</b>	<b>163,382,400 Acres.</b>
Area.....	(Sq. Miles)	Land	248,800 Sq. Miles.
		Water	6,485 Sq. Miles.
		<b>TOTAL</b>	<b>255,285 Sq. Miles.</b>
Population.....	(1946)	Rural	448,934 No.
		Urban	354,396 No.
		<b>TOTAL</b>	<b>803,330 No.</b>
Population.....	(1946)	Male	423,997 No.
		Female	379,333 No.
		<b>TOTAL</b>	<b>803,330 No.</b>
Area of National Parks .....			13,399,808 Acres.
Area of Forest Reserves.....			8,947,680 Acres.
Area of Forested Lands.....			83,635,200 Acres.
Area of Lands excluding Dom. and Prov. Parks and Alienated Land...			97,994,240 Acres.
Area of Total Lands.....			159,232,000 Acres.
Area of Agricultural Land.....			87,449,600 Acres.
Area of Arable Land.....			70,000,000 Acres.
Area of Occupied Farms.....			41,000,000 Acres.
Area of Farm Land Under Cultivation.....			20,280,800 Acres.
Number of Farms (1946) .....			89,561 No.

(b) PRODUCTION:

		Unit	Preliminary 1947	Estimates 1948
Wheat Production.....	Quantity.....	Bushels.....	105,000,000	115,000,000
	Value.....	\$.....	139,650,000	152,950,000
Other Grains' Production .....	Quantity.....	Bushels.....	133,981,000	143,668,000
	Value.....	\$.....	135,009,000	125,787,000
Root Crops Production .....	Quantity.....	Tons .....	464,000	425,450
	Value.....	\$.....	9,560,000	8,999,000
Fodder Crops Production .....	Quantity.....	Tons .....	2,701,000	2,530,000
	Value.....	\$.....	28,409,000	32,430,000
Live stock Population.....	Horses.....	No. ....	410,900	376,600
	Cattle.....	No. ....	1,188,300	1,139,500
	Calves.....	No. ....	465,700	444,800
	Sheep and Lambs.....	No. ....	613,800	448,600
	Swine.....	No. ....	964,100	833,900
Live stock Marketings.....	Horses.....	No. ....	36,600	25,895
	Cattle.....	No. ....	423,154	531,988
	Calves.....	No. ....	87,185	119,240
	Sheep and Lambs.....	No. ....	289,183	215,732
	Swine.....	No. ....	1,105,222	1,165,453
	Total Value.....	\$.....	91,063,000	140,242,000
Live stock Shipments from Alberta.....	Horses.....	No. ....	17,524	10,412
	Cattle.....	No. ....	196,571	301,572
Dairy Production .....	Value.....	\$.....	46,811,000	56,117,000
Poultry Production.....	Value.....	\$.....	21,059,000	24,675,000
Miscellaneous Agricultural Production .....	Value.....	\$.....	4,316,000	4,099,000
<b>1 TOTAL—Agricultural Production.....</b>	<b>Value.....</b>	<b>\$.....</b>	<b>475,877,000</b>	<b>545,299,000</b>

STATEMENT No. 3—Continued  
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATISTICS

2. NATURAL RESOURCES:

		Unit	Preliminary Estimates	
			1947	1948
Coal Production.....	Quantity.....	Tons.....	8,074,596	8,111,013
	Value.....	\$.....	36,317,343	41,875,044
Petroleum Production .....	Quantity.....	Bbls.....	6,809,284	10,973,583
	Value.....	\$.....	18,078,907	35,127,751
Natural Gas Production (Well Head) .....	Quantity.....	M. cu. ft.....	53,400,000	60,300,000
	Value.....	\$.....	2,600,000	3,000,000
Salt Production.....	Quantity.....	Tons.....	29,552	34,329
	Value.....	\$.....	295,500	343,300
TOTAL—Mineral Production.....		Value.....	\$.....57,300,000	
Forestry—Lumber Cut .....	Quantity.....	Ft. b. m. ....	308,000	383,500
	Value.....	\$.....	13,900,000	15,250,000
Miscellaneous Forestry Products.....	Value.....	\$.....	1,844,000	2,840,000
TOTAL—Forestry Production.....		Value.....	\$.....15,744,000	18,090,000
Commercial Fisheries.....	Quantity.....	Lbs.....	11,202,589	7,143,243
	Value.....	\$.....	1,256,141	727,040
Fur.....	Value.....	\$.....	1,566,308	2,781,991
TOTAL—Natural Resources .....		Value.....	\$.....76,000,000	99,000,000

3. OTHER STATISTICS:

		Unit	1947	1948
Trade and Industry—Retail Trade.....	Sales.....	\$.....	415,000,000	450,000,000
	Wholesale Trade.....	Sales.....	\$.....293,106,358	345,000,000
Manufacturing Industries .....		Value of Production \$.....	265,000,000	310,000,000
Railway Mileage.....		Miles.....	5,828	5,828
Schools in Operation.....		No.....	2,659	2,550
Motor Vehicles.....		No.....	154,025	160,000
Hard Surfaced Highways.....		Miles.....	11,500	12,000
Bank Clearings.....		\$.....	1,643,301,463	1,951,777,712
Bank Debits.....		\$.....	3,359,727,031	3,961,078,316
Construction Industry.....		Contracts Awarded \$.....	47,425,100	74,071,700